

Message Text

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44

ACTION EA-09

INFO OCT-01 ISO-00 CIAE-00 DODE-00 PM-04 H-02 INR-07 L-03

NSAE-00 NSC-05 PA-01 PRS-01 SP-02 SS-15 USIA-06 SAJ-01

AID-05 COME-00 EB-07 FRB-03 TRSE-00 XMB-02 OPIC-03

CIEP-01 LAB-04 SIL-01 OMB-01 /084 W

----- 116948

R 260708Z APR 76

FM AMEMBASSY KUALA LUMPUR

TO SECSTATE WASHDC 3195

INFO AMEMBASSY JAKARTA

AMEMBASSY MANILA

AMEMBASSY SINGAPORE

LIMITED OFFICIAL USE KUALA LUMPUR 2368

E.O. 11652: N/A

TAGS: PGEN, MY

SUBJECT: CONVERSATION WITH NEW SABAH CHIEF MINISTER

1. NEW SABAH CHIEF MINISTER TUN FUAD, IN LENGTHY CONVERSATION WITH VISITING EA/IMS OFFICER SHEPARD APRIL 17, ATTRIBUTED HIS VICTORY TO WIDESPREAD DISGUST IN SABAH OVER TUN MUSTAPHA'S CORRUPTION. HE SAID THAT MUSTAPHA HAD CALLED THE ELCTIONS FOR APRIL NOT TO CONSOLIDATE HIS POSITION TOWARDS KUALA LUMPUR, BUT IN THE REALIZATION THAT SOME 40,000 NEW VOTERS, NEARLY ALL OF WHOM WERE BERJAYA SUPPORTERS, WOULD HAVE QUALIFIED UNDER SABAH'S REGISTRATION PROCEDURES BY MAY. USNO'S WEAKNESS WAS FURTHER COMPOUNDED BY MUSTAPHA'S TACTICAL BLUNDER IN DEMANDING THAT EIGHT SCA MEMBERS, WHO HAD BEEN RUNNING ON "INDEPENDENT" IMAGE WITHIN USNO, PRESENT UNITED FRONT AS THE CAMPAIGN CLOSED, AN ERROR THAT ALIENATED CHINESE ELECTORATE AND WON BERJAYA ALL EIGHT URBAN CHINESE SEATS, PROVIDING MARGIN OF VICTORY.

2. TUN FUAD, A GREGARIOUS, OVERWEIGHT MAN SAVORING HIS TRIUMPH AFTER "EIGHT YEARS OF MISRULE" BY HIS RIVAL, SAID
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THAT BERJAYA COULD "CALL FOR APPLICATIONS" FROM THE TWENTY

SUCCESSFUL USNO CANDIDATES, MANY OF WHOM WOULD NOT ATTEMPT TO SWITCH TO BERJAYA. ONLY TWO SUCH CHANGES WOULD GIVE HIM THE NECESSARY TWO-THIRDS MAJORITY SHOULD THE CONSTITUTION NEED PURGING FROM MEASURES PREVIOUSLY PASSED. IN ANY EVENT, "THE NIGHTMARE IS FINALLY OVER," AND EXTRAVAGANCES SUCH AS SABAH AIRLINES WOULD CEASE.

3. HE ASKED THAT U.S. INVESTORS BE TOLD THAT SABAH BADLY NEEDED FOREIGN PRIVATE INVESTMENT. THERE WOULD BE NO GRAFT, AND "INVESTORS HAVE PERSONAL ACCESS TO ME." HE DEPLORED MUSTAPHA'S DESPOILING SABAH TIMBER RESOURCES, BUT SAID RESPONSIBLE DEVELOPMENT WOULD BE WELCOME, CITING COMMERCE'S TIMBER MISSION LAST MONTH. HE SAID THAT FOREIGN INVESTORS WILL BE ABLE TO BRING IN THEIR OWN PEOPLE, AND EXPERTS AND MANAGERIAL PERSONNEL WOULD BE PARTICULARLY WELCOME, ALTHOUGH OVER LONGER RUN, SABAHANS SHOULD BE TRAINED TO ASSUME RESPONSIBILITIES. HE RECALLED THAT WHEN HE HEADED SABAH'S DELEGATION FOR MALAYSIA TALKS, HE HAD INSISTED UPON SABAH'S RIGHT TO CONTROL IMMIGRATION, SINCE AT THE TIME "SINGAPORE HAD 200,000 UNEMPLOYED, AND WE DID NOT WANT THEM ALL COMING TO SABAH." HE HAD NEVER INTENDED THAT SABAH'S IMMIGRATION CONTROL BE USED AS THE PERSONAL DEVICE FOR SELECTIVE APPROVAL PERMITS ON THE BASIS OF BRIBES THAT MUSTAPHA HAD MADE IT.

4. RETURNING TO ELECTION THEME, TUN FUAD SAID IT WAS "CRUCIAL" THAT PRIME MINISTER HUSSEIN HAD "TAKEN THE HINT" AND BROUGHT IN POLLING PLACE GUARDS, FOR OTHERWISE MUSTAPHA WOULD SIMPLY HAVE STOLEN THE ELECTION. HE SPOKE WARMLY OF THE PRIME MINISTER AND HIS ANTI-CORRUPTION STANCE, SAID IN RESPONSE TO SHEPARD'S QUESTION THAT "THE DAYS OF PROBLEMS BETWEEN KUALA LUMPUR AND SABAH ARE OVER," AND CONFIRMED THAT PRIME MINISTER HUSSEIN WOULD BE VISITING SABAH IN NEAR FUTURE.

5. KOTA KINABALU WAS PLASTERED WITH BERJAYA ELECTION SIGNS, TEN FOR EVERY USNO POSTER, FUAD'S PHONE CONSTANTLY RANG, AND HIS SALUTATION "BERJAYIGZ" LIMITED OFFICIAL USE

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("SUCCESS") TO ALL CALLERS, CLEARLY A CAMPAIGN CARRYOVER, WAS REMINISCENT OF FARLEY AT HIS BEST. THE ATMOSPHERE WAS FORWARD-LOOKING AND INFECTIOUS, AND TUN FUAD WAS EXTENDED CONGRATULATIONS AS HE NOW BEGINS TO SET SABAH AFFAIRS IN ORDER. UNDERHILL

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